



*Dynamise les entreprises sénégalaises*



*Discussing the Finer Points of Microfinance – USAID Inauguration – May 2002*

## **TENTH QUARTERLY PERFORMANCE REPORT**

*01 April 2002– 30 June 2002*

**USAID PROJECT :** 685-C-00-00-00002-00  
**SUBMITTED TO:** USAID/SENEGAL  
 PRIVATE SECTOR STRATEGIC OBJECTIVE (SO1)



**SUBMITTED BY:** CHEMONICS INTERNATIONAL  
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CHEMONICS INTERNATIONAL, INC.

## ACRONYMS

<b>ACEP</b>	<i>Alliance de Crédit et d'Epargne pour la Production</i>
<b>APIMEC</b>	<i>Association Professionnelle des Institutions Mutualistes ou Coopérative d'Epargne et de Crédit au Sénégal</i>
<b>ASESCAW</b>	<i>Association Socio-Educative et Culturelle des Agriculteurs du Walo</i>
<b>AT/CPEC</b>	<i>Assistance Technique aux Caisses Populaires et d'Epargne et du Crédit</i>
<b>BNSTP</b>	<i>Bourse Nationale de Sous-Traitance et de Partenariat du Sénégal</i>
<b>BOA</b>	Basic Ordering Agreement
<b>CAMPC</b>	<i>Centre Africain de Management et Perfectionnement des Cadres</i>
<b>CAPAF</b>	<i>Programme de Renforcement des <b>Capacités</b> des IMF en <b>A</b>frique Francophone</i>
<b>CCBM/EBI</b>	<i>Comptoir Commerciale Bara Mboup - Espace Bureautique Informatique</i>
<b>CESAG</b>	<i>Centre d'Etudes Supérieures en Gestion</i>
<b>CETF</b>	<i>Centre d'Enseignement Technique Féminine</i>
<b>CGAP</b>	<i>Groupe Consultatif d'Assistance aux Plus Pauvres</i>
<b>CIPE</b>	Center for International Private Enterprise
<b>CLIN</b>	Contract Line Item
<b>COCOGES</b>	<i>Collectif des Femmes Commerçantes du Groupement Economique Sénégalais</i>
<b>COFDEC</b>	<i>Collectif des Femmes pour le Développement de l'Epargne et du Crédit</i>
<b>CONACAP</b>	<i>Conseil National pour la Promotion et le Développement des Caisses Populaires</i>
<b>CSE</b>	<i>Centre de Suivi Ecologique</i>
<b>CTC</b>	Community Training Centers – Peace Corps
<b>DID</b>	<i>Développement International Desjardins</i>
<b>ECI</b>	Edelman Communications International
<b>ENDA</b>	<i>Environnement Développement en Afrique</i>
<b>FDEA</b>	<i>Femme Développement Entreprise en Afrique</i>

<b>FEMUNI</b>	<i>Association des Femmes de la Cité des Nations Unies</i>
<b>FIARA</b>	<i>Foire Internationale de l'Agriculture et des Ressources Animales</i>
<b>FNGPF</b>	<i>Fédération Nationale des Groupements de Promotion Féminine</i>
<b>FNPJ</b>	<i>Fonds National de Promotion de la Jeunesse</i>
<b>GERME</b>	<i>Gérer Mieux Votre Entreprise</i>
<b>GERME</b>	<i>Groupement d'Intérêt Economique</i>
<b>GOS</b>	Government of Senegal
<b>GRAMC</b>	<i>Groupe de Recherches et d'Actions avec les Minorités Culturelles</i>
<b>GTN</b>	Global Technology Network
<b>IBI</b>	International Business Initiatives
<b>ILO</b>	International Labor Organization
<b>IPD-AOS</b>	<i>Institut Pour le Développement / Afrique de l'Ouest Sahel</i>
<b>ISPEC</b>	<i>Insitut Supérieur Panafricain d'Economie Coopérative</i>
<b>IT</b>	Information Technology
<b>ITA</b>	<i>Institut de Technologie Alimentaire</i>
<b>KIR</b>	Key Intermediate Result
<b>LOP</b>	Life of Project
<b>MCEG NAFA</b>	<i>Mutuelle de Crédit et d'Epargne et de Garantie</i> (Nafa is “billfold” in Wolof)
<b>MECFAM</b>	<i>Mutuelle des Femmes du Mouvement Acapes</i>
<b>PAEP</b>	<i>Programme d'Appui à l'Entrepreneuriat Paysan</i>
<b>PAID/WAS</b>	Panafrican Institute for Development / West Africa Sahel (IPD-AOS)
<b>PAMEF</b>	<i>Programme d'Appui à la Mobilisation de l'Epargne dans la Francophonie</i>
<b>PMC</b>	Performance Management Consulting
<b>PMP</b>	Performance Monitoring Plan
<b>PPMEH</b>	<i>Projet de Promotion des Petites et Moyennes Entreprises Horticoles</i>
<b>RECEC</b>	<i>Réseau des Caisses d'Epargne et du Crédit des Femmes de Dakar</i>

<b>REMIX</b>	<i>Réseau d'Etudes et d'Informations pour la Minimalisation des Risques d'Exploitations</i>
<b>RESIG</b>	<i>Réseau Sénégalais d'Institutions GERME</i>
<b>RTT</b>	Results Tracking Table
<b>SEAD</b>	Small Economic Activities Development
<b>SMI</b>	Savings Mobilization and Investment
<b>SO</b>	Strategic Objective
<b>TDC</b>	<i>Technologie Développement Consultance</i>
<b>UFC</b>	Union des Femmes Commerçantes
<b>UMEC</b>	<i>Union des Mutuelles d'Epargne et de Crédit - Sédhiou</i>
<b>UMECU</b>	<i>Union des Mutuelles d'Epargne et de Crédit d'UNACOIS</i>
<b>UM PAMECAS</b>	<i>Union des Mutuelles du Partenariat pour la Mobilisation de l'Epargne et du Crédit</i>
<b>UNACOIS</b>	<i>Union Nationale des Commerçants et Industriels du Sénégal</i>
<b>UNACOIS-DEF</b>	<i>Union Nationale des Commerçants et Industriels du Sénégal – Développement-Economie-Finances</i>
<b>UNAFIBS</b>	<i>Union Nationale des Acteurs de la Filière Banane Sénégalaise</i>
<b>USAID</b>	United States Agency for International Development
<b>USU</b>	Umbrella Support Unit

## QUARTERLY PERFORMANCE REPORT

### Dyna-Entreprise Senegal - Chemonics Contract

April 2002 – June 2002

Quarter 10 of 20

**CONTRACTOR:** Chemonics International, Inc.  
**CONTRACT #:** 685-00-00-C-00002-00  
**REPORTING PERIOD:** April 2002 – June 2002 (Quarter 10 of 20)  
**USAID OFFICE:** Strategic Objective 1

#### I. EXECUTIVE SUMMARY

The quarter ending 30 June approached the record expenditure levels of the previous quarter. For the first 6 months of calendar 2002 Dyna expended over \$3.5 million with roughly \$1.7 million spent in successive quarters. This level of activity reflects the maturation of the project at mid-course. The week of 8 to 12 April reflects this heightened level of project activity with Dyna-sponsored events running simultaneously in Ziguinchor (adapted CAPAF microfinance training), Sedhiou (Making Cents *Entreprendre* module training) and Mbour (Business Forum). The project can run three decentralized events in the same week because of its commitment to local subcontracting. Each event is implemented by a different locally contracted service provider. Record activity and expenditure levels had repercussions throughout the Dyna team with a total of 46 separate contracting actions signed with local subcontractors this quarter.

Other Administrative activities this quarter include oversight of the DynaDakar Annex construction funded by the landlord. The Annex will relieve overcrowding in the office from increased workload and staff due to the record activity and expenditure levels. The Administration team also began an update of the durable good inventory for both the project and its partners. A portion of the Award Fee allocated to Chemonics by USAID from 2001 was shared with the local staff in financial recognition of their significant contributions to project success.

The Microfinance team doubled the number of institutions assisted during this quarter from 15 to around 30 with the bulk representing individual credit unions not affiliated within a network. Previous Dyna support was focused mainly on microfinance networks, however, only 2 networks were added in this reporting period. Dyna is presently working with most all formal and informal microfinance networks in Senegal. At mid-course of the project Dyna will now begin to focus more on increasing depth of support over breadth of partners.

The ACEP grant will be given a six-month, no-cost extension to allow time for USAID to replace the SO #1 CTO and Microfinance Specialist. USAID, ACEP and Dyna must negotiate the final use of the line of credit before formally closing the grant. PAMECAS and Dyna designed a prototype caisse-level computer system to include telecommunication connection to the headquarters network installed by Dyna during February 2002. This prototype will also include a “kiosk” computer and flat-screen in the branch office waiting room for information dissemination. Both UMECU and RECEC networks are responding well to Dyna support as both institutions are consolidating gains

through improved management and training. These gains are reflected in the macro-level indicators for these two microfinance institutions. The two new networks added this quarter are COCGES (women entrepreneurs) and PPMEH (horticulture support project in *Les Niayes* with a significant credit line to manage).

Two Senegalese Master Trainers of the Making Cents modules *Esprit* and *Entreprendre* were trained and certified this quarter with two more scheduled for next quarter. Henceforth, expatriate trainers for these two modules will no longer be needed in Senegal. Making Cents module trainings were offered in Thies and Ziguinchor this quarter. A positive outcome of these trainings was the UMEC microfinance staff recruitment by *Fonds National de Promotion de la Jeunesse* (FNPJ) to provide Making Cents training to FNPJ-targeted youth in Sedhiou Department as a prerequisite for funding under their credit line. Nine young Sedhiou entrepreneurs were trained by UMEC staff by mid-June and have qualified for funding under the FNPJ program. This case embodies the “*fait faire*” Dyna approach enabling local actors to play appropriate roles in the development of the local economy without direct intervention by the project that would overly distort market creation.

The Business Development Services (BDS) team made significant and innovative strides this quarter that were reflected in their record quarterly expenditures. The team made continual progress to integrate and adopt the new BDS performance indicators. Dyna-BDS and its partners made an important break-through with creation of a National Federation of Banana Sector interests. This new Federation regroups all players in the sub-sector without preference to size or region with a unity of purpose focused on a jointly produced Action Plan. The Federation is the result of over a year of Dyna-sponsored activities including a sector study, Morocco study tour, restitution sessions and targeted technical assistance.

The BDS team continues to work closely with the ILO. The second joint GERME (*Gerer Mieux votre Entreprise*) Training of Trainers was held in Ziguinchor and included the Dyna-produced fiscal responsibility module. Dyna and the ILO are also collaborating to produce a 2003 Business Planner inspired by the Dyna 2002 Business Planner and Fiscal Responsibility document. ILO will promote this item to the regional francophone zone. The ILO invited Dyna-BDS as one of only two practitioners to present at their Africa-wide BDS Best Practices workshop held outside Dakar. GERME trainings were held in *Les Niayes* for onion producers, in Mbour for a women’s group and in Sedhiou for various entrepreneurs interested in improving marketing techniques. The 1<sup>st</sup> Edition of the Fiscal Responsibility module was tested and will be revised based upon consumer feedback to improve a second printing.

The Monitoring and Evaluation (M&E) team was supplemented this quarter by hiring new staff, training existing staff and implementation of the M&E BOA. The Team Leader attended training in evaluative techniques for development projects from the International Program for Development Evaluation Training organized by the Operations Evaluation Department of the World Bank in partnership with Carleton University’s Faculty of Public Affairs and Management.

The Dyna project is now at mid-stride as evidenced by heightened activity in two consecutive quarters of record expenditures of around \$1.7 million each. Over the last six month period the project averaged roughly \$540,000 in monthly expenditures. At these expenditure rates, given obligated funds remaining of around \$ 3 million and \$1 million in local accruals, the project has just

over 3 months of funds remaining. At this writing, without a new obligation of funds the Dyna project will have to reduce activities in the coming months.

## II. BACKGROUND

This is the 10<sup>th</sup> Quarterly Report of the USAID Senegal funded project to support the Private Sector Strategic Objective (SO #1). The strategic objective is

*to achieve sustainable increases in private sector income generating activities in selected sectors.*

The two key intermediate results (KIRs) supported by this project are

- (1) *improved access to financial services by microenterprises and small business entrepreneurs and*
- (2) *adoption by more microenterprises and small/medium enterprises of best technical and managerial techniques.*

The project mandate is a geographic focus around Dakar's peri-urban surroundings (Pikine and Rufisque departments within Dakar Region and Thies Region) and rural areas in the south (Kolda, Tambacounda, and Ziguinchor regions). The implementing team is comprised of two in-country contractors (Chemonics International and the Umbrella Support Unit) and an expanded team including two subcontractors (International Business Initiatives and the Center for International Private Enterprise) plus the USAID Senegal Strategic Objective #1 team. The two technical teams within the project, Microfinance (MF) and Business Development Services (BDS or BizDev), correspond directly to the two KIRs listed above. The project is locally named "*DynaEntreprises Sénégalaises*" to denote the objective to "dynamize" or catalyze the entrepreneurial sector in Senegal by addressing the constraints confronting the private sector in their access to financial resources and quality of human, technical and managerial resources. Partners and clients shorten this formal name to "DynaEntreprises" or just "Dyna".

## III. ADMINISTRATION

Work continued, albeit at a lesser pace this quarter, constructing an Annex building at DynaDakar to relieve the cramped quarters in the main building. Reallocation of furnishings and equipment from the departed expatriate, recruitment of a local expatriate to provide assistance to the M&E division and an intern for the Accounting division were the major Administration related human resource actions. DynaDakar Administrative staff played a major role in preparing the Dyna contribution to the USAID new building inauguration this quarter. Record numbers of contracts were signed in the last quarter which is also reflected in the financial figures for the project.

### A. Logistics

The owner-financed construction of an annex to the DynaDakar office to relieve over-crowding slowed down this quarter due to a worksite accident. The supervising mason fell and had to take extended recuperation time. Work restarted by the end of the quarter and only finishing touches



remain as the new quarter began. The landlord has also accepted closure of the balconies on both the annex and the main building to provide additional space.

The Dyna presentation at the inauguration of the new USAID building was organized and implemented by the Dyna Administration team building upon input from the technical teams. The team was directly involved in vetting the print quality of presentation materials and insisted on quality assurance. The resulting Dyna stand or kiosk was well appreciated and received two visits by the President of the Republic. Customs clearance activities this quarter included Making Cents *Esprit* module kits and *Scenarios du Sahel* videos, both in four languages (French, Wolof, Pulaar and Mandingue). The *Esprit* kits were also produced in Diola. The Administrative team also prepared and processed shipping of the household effects for the expatriate microfinance technician who departed Senegal last quarter.

Updating the inventory list at Dyna's partners was another major activity for the Administrative team after the installation of major computer networks at three microfinance partners last quarter (PAMECAS, Cellule AT-CPEC and UNACOIS-DEF). The Administration team also inventoried new office equipment deliveries (e.g., safes, desks, chairs, security enhancements, etc.) for microfinance partners. Dyna Administration must visit each and every delivery site locale to certify equipment origin, guarantee delivery of goods by suppliers in accordance with contracting conditions, and insure proper labeling (USAID and Dyna). In the case of durable goods from the departed expatriate Microfinance technician, some items were recycled to other project uses (ex., generator to Criss Juliard's house and inverter/battery system reserved for the new DynaDakar Annex). The remaining items are being kept in storage.

As always, Dyna Administration is responsible for accommodation and logistical coordination of project-related technical visitors. This quarter witnessed visits from Chemonics Home Office staff Karen Greiner (April – Training Evaluation), Joel Schlesinger (early May – Project Supervisor) and David Fernandes (late May – M&E support). Other visiting technical assistance included a two-person team from IPD-AOS (May – MF training in Sedhiou) and Fiona Macaulay of Making Cents (June – *Esprit* & *Entreprendre* modules and Master Trainers).

## **B. Contracts**

The contracts division had one of its busiest quarters with 46 separate contracting actions consisting of 27 contracts under Basic Ordering Agreements (BOA), 11 purchase orders (PO) and 8 traditional fixed-price contracts. These 46 contracting actions represent an enormous amount of work to support the project's technical activities and are also reflected in the record expenditure amounts in the first 6 months of 2002 (\$3.5 million). The majority of the contracts signed were to support training activities (16). The next highest groupings of activities were for office equipment (5), analytical diagnosis (5), organizational support (4), and security equipment (3). The remainder was spread across a wide spectrum of activities that included informational events (3), agro-business (2), fiscal responsibilities (2), cybercafes (1), accounting documents (1) and a microfinance directory (1).

## **C. Accounting**

In addition to their responsibilities for monthly expenditure reporting the Accounting team regularly processes payments against deliverables that have been technically approved by the MF and BDS teams. The Accounting team at Dyna also prepares and submits project accrual figures to USAID on a quarterly basis. The team continued to review and provide commentary on the ACEP Grant expenditure justifications and contract deliverables. Based upon Dyna's acceptance of ACEP's financial and technical justifications, a significant tranche of new funds were provided to ACEP this quarter.

A junior accountant joined the Accounting team on an internship basis to relieve some of the workload on the team and provide additional coverage during the traditional vacation months. A general report analyzing fuel usage based upon the driver/vehicle trip sheets was completed this quarter. Actions to improve performance, which are based on the report's main findings, will be implemented next quarter.

#### **D. Human Resources**

A portion of the Award Fee received by the Dyna prime contractor from USAID was redistributed to the local staff. All local employees received a minimum amount that was augmented by an amount based upon selected criteria of length of service and overall individual performance. An expatriate was hired to provide additional assistance to the Monitoring and Evaluation division at DynaDakar. As the project moves into its final years, the increased focus to capture and document lessons learned through such tools as success stories and case studies warrant putting additional resources into this division. This expatriate will also be responsible for drafting and submitting Approval memos to USAID Senegal, thereby relieving the workload of the Chief of Party. A junior accountant was also hired on an internship basis to provide additional resources to the financial oversight given the project's record quarterly expenditures over the last six months.

Both Dyna technical and administrative staff attended skills enhancement training during this quarter. In late May, the DynaDakar Microfinance team leader attended a week-long workshop at the World Bank entitled "Overview of Financial Sector Issues and Analysis." Given that this workshop was held in Washington, she also visited the Chemonics Home Office to meet with the Dyna project backstop team. The Monitoring and Evaluation team leader began a month-long training in late June at Carleton University in Canada entitled "International Program for Development Evaluation Training : Building Skills to Evaluate Development Interventions." She reported back that two other participants from Senegal working with UNICEF and the European Union were attending this training. This is the second year that this Development Evaluation training has been offered. Finally, in mid-June the Human Resources management assistant attended a two-week training in Abidjan at the *Centre Africain de Management et de Perfectionnement des Cadres* (CAMPC) on Human Resource Techniques.

#### **E. Admin Next Quarter**

Next quarter, Dyna's field project administrator will be on-leave and a Home Office backstop will be mobilized under a short-term assignment. The ECI team will return to perform follow-up activities with the computer network installations from last quarter and to install a prototype computer system for microfinance branch offices in peri-urban Dakar with PAMECAS. Both our technical and administrative staff will participate in Dyna's annual workplan and team-building retreat in early

September. Finally, the DynaDakar Annex should be completed next quarter and staff will be rearranged to occupy this new physical space. Dyna Contracts and BDS divisions are scheduled to move into the Annex which will also precipitate a relocation of staff in the main building.

#### IV. MICROFINANCE SUPPORT - MFI

The Dyna Microfinance Team experienced significant growth in activities this quarter, almost doubling the number of partner institutions from 15 to 29. The bulk of this growth has been among individual microfinance institutions (i.e., those not affiliated with a network). Dyna already works with the majority of networks and proto-networks (*de facto* but not *de jure* networks without formal network recognition by the Ministry of Finance). Only two new proto-networks were added to the Dyna partner list this quarter (COCOGES and PPMEH). A total of 13 new individual institutions were added over the same period. Since this pattern reflects the maturation of the Dyna support program, future growth through the addition of new partners will be limited. As a result, Dyna's assistance program in subsequent quarters will likely provide greater in-depth assistance to existing partners over broadening the partner base. The distribution of active client accounts is presented at right.

#	Network	#	Proto Network	#	Individual		
1	ACEP	5	ACRA	13	CAPEC JOOBASS	22	MEC FEMZOP
2	PAMECAS	6	COCOGES	14	CAPFED	23	MEC NAFA
3	UMEC	7	FADEC	15	CMECAT	24	MEC PROPEM
4	UMECU	8	FNGPF	16	COFDEC	25	MFC
		9	Inter-CREC	17	FEMUNI	26	MUPROEL
		10	PPMEH	18	GANDA	27	MUPROP
		11	RECEC	19	MEC ADER	28	TINAARE
		12	UFC	20	MEC ANAMBE	29	UGPF
				21	MEC ARTH		

**Table #1 :**

Microfinance Clients with Dyna Support

The sections presented below, by category of microfinance institution, recount the major activities of the Microfinance team during this reporting period.

##### **A. Networks & Proto-Networks.**

The following networks received notable support activities in the last quarter:

1. **ACEP.** Dyna and ACEP managements met on two occasions this quarter to discuss the possibility of supporting an upgrade of the ACEP computer network. If approved by USAID Senegal, this activity would follow the existing Dyna Grant presently implemented by ACEP. Given the turnover at USAID (CTO and Microfinance Specialist) a final decision on liquidating the ACEP Grant credit line has been postponed to next quarter. Dyna will negotiate and sign a new second six-month, no-cost extension to the ACEP grant to provide sufficient time to discuss and decide with USAID staff how best to liquidate the USAID-funded ACEP credit line. No significant technical or administrative change will be made to the Grant other than this six month, no-cost time extension.

2. **UMEC.** This quarter the UMEC network of branch offices in Sedhiou Department continued to receive concentrated and varied technical assistance that fully addresses their institutional development needs. The Dyna name for this type of assistance package is "*programme élargi*". The management staff of all 22 branch offices received training in both Making Cents modules (*Esprit d'Entreprise* and *Entreprendre*). Each branch now has a training kit for these two modules and provides training to credit union members in their respective areas. UMEC's intention is that training on these modules be required of each and every loan applicant as a minimum prerequisite for receiving funds.

Additional assistance was provided through the provision of standardized accounting documents across all 22 branches. Also, two trainers from the Burkina-based IPD/AOS traveled to Sedhiou to provide separate week-long training in "Strategic Planning" and "Internal Control." An independent audit of UMEC was completed this quarter and the report should be available early next quarter. Safes were also delivered to each of the branch offices to provide safeguarded funds. Finally, an exchange visit between UMEC and Inter-CREC staff from Sedhiou and Bignona departments, respectively, provided an opportunity for these two nascent microfinance networks to share ideas and experiences.

3. **RECEC.** This peri-urban microfinance institution targeted to women continues to make steady progress towards a more professional approach to their savings and loan activities. During this quarter RECEC recruited and hired a professional coordinator. The headquarters has now moved into its own locale with security services. The 17 branches and 57 sales points of the RECEC network reported results summarized in Table #2 below. Note that the

<b>RECEC</b>	<b>Indicator</b>	<b>30-Sep-01</b>	<b>31-Mar-02</b>	<b>% Change in 6 months</b>
<b>SAVINGS</b>	Savers (number)	14,624	18,580	27%
	Active Savings (amount)	314,763,426	329,473,919	5%
	Average Savings (amount)	21,524	17,733	-18%
<b>LOANS</b>	Cumulative Loans (number)	14,423	16,429	14%
	Cumulative Loans (amount)	1,026,024,946	1,202,995,146	17%
	Active Loans (number)	3,586	3,725	4%
	Active Loans (amount)	268,868,180	263,263,020	-2%
	Late Loans (amount) (> 3 months)	33,249,783	28,805,072	-13%
	Late Loans (% of total)	12.4%	10.9%	-12%
	Non-Performing Loans (> 12 months)	15,923,329	18,351,195	15%
	Non-Performing Loans (% of total)	5.9%	7.0%	18%
	Average Loan (amount)	74,977	70,675	-6%

**Table #2 : RECEC Performance Indicators**

number of savers increased while the average amount per saver declined indicating that RECEC is growing through new smaller savers and borrowers (witness the decreased average loan amount). While the number of loans in arrears is decreasing in both amount and percent as RECEC becomes more professional through better management and training, they still have a significant overhang of non-performing loans to recover due to their previous, pre-Dyna, practices. Dyna interprets RECEC's performance figures as showing a positive trend for the institution and evidence that RECEC has responded positively to Dyna's support.

4. **PAMECAS.** Computer training continued for line staff at both PAMECAS (service provider PointMicro) and UNACOIS (service provider IATIG) to provide optimal utilization of the computer networks installed in the first quarter of calendar 2002. During the present quarter the configuration for PAMECAS branch offices were designed, procured and tested in Washington. A two-person team will arrive in Dakar early next quarter to install a prototype branch office computer system in two PAMECAS *caisses*. Once lessons are learned from these prototype installations a full procurement for all PAMECAS branches will be launched. Included in the prototype for the branch

offices is a “kiosk” computer that serves as a platform for disseminating messages to clients in the waiting area of the office. These messages are transmitted to a flat-screen computer monitor and consist of marketing and informational content.

5. *UNACOIS - UMECU*. Dyna support to the UNACOIS network of credit unions continued apace this quarter befitting the first recipient of a Dyna *programme élargi*. The rapid growth experienced by UMECU since Dyna assistance was introduced has begun to slow down as the network seeks to consolidate its gains. This is a natural part of the growth process

	Dec-00	Dec-01	Jun-02	Growth	
				12 month	6 month
<b>MEMBERS</b>	6,585	17,638	20,595	168%	17%
<b>SAVINGS</b>	685,614,314	2,436,222,580	2,334,115,609	255%	-4%
<b>ACTIVE LOANS</b>	427,253,984	1,345,302,707	1,522,640,172	215%	13%

**Table #3 : UNACOIS-DEF UMECU Macro Indicators**

and is similar to the experience of the PAMECAS network of peri-urban caisses. Macro-level indicator data from UMECU presented in Table #3 above highlight this consolidation. For the year 2001 UMECU experienced exponential growth in members, savings and loans. In the first six months of 2002 this expansion has abated due to a conscious effort by UMECU management to better manage their growth. The Dyna-sponsored strategic planning exercise, implemented by Performance Management Consultants (PMC), has helped UMECU management to understand the need to and how best to manage growth. Assistance to UMECU this quarter focused on office furniture, office equipment and security enhancements.

6. *COCOGES*. The *Collectif des Femmes Commerçantes du Groupement Economique Sénégalais* is another proto-network consisting of six (6) *guichets* in peri-urban Dakar (Pikine & Parcelles Assainies) plus the regions of Diourbel (Touba & Mbacke), Fatick (Passy) and Kaolack (Kaolack). COCOGES also has a central office based in Dakar (Castor-Derkle) and counts around 7,000 members nationwide. Dyna support to COCOGGES began this quarter with training of both the technical staff (managers and tellers) and elected committees.

7. *PPMEH*. Dyna signed a Memorandum of Understanding with the *Projet de Promotion des Petites et Moyennes Entreprises Horticoles* (PPMEH), which is focused on support in the littoral area north of Dakar called *Les Niayes*. PPMEH is a joint Government of Senegal (GOS) and Belgium project based in Mboro with more experience in production than marketing and finance. Dyna will complement the existing activities of PPMEH through direct support to the project-targeted *caisses* that includes, but is not limited to, strategic planning, training, and marketing.

PPMEH identified nine (9) *caisses* in their geographic zone with whom to work. Two of these *caisses* (Sangalkam and Gandiol) are still seeking their certification to practice microfinance (*agrément*) by the Ministry of Finance. PPMEH offers a refinancing instrument valued at FCFA 500 million over five years (1999 to 2004) to inject liquidity into the local microfinance system. There exists a possibility for some or all of these 9 *caisses* to form a microfinance network. Note from Table #4 below that the combined *caisses* have a significant number of existing members (> 5,000) and the possibility of greater growth. Mobilized savings represents half of the overall amount provided by the refinancing mechanism and a reduced repayment pattern is present for a number

of non-performing loans at certain credit unions. Dyna's assistance, as in almost all cases under the project, will focus on improving the management and oversight of other people's money whether the funds are mobilized domestically or internationally.

LOCALE	Members	Coverage	Member Capital	Savings	Refinancing	Active Loans	Non-performing Loans
1 Sao	638	10%	1,044,000	10,393,160	48,000,000	44,434,868	58
2 Fass Boy	581	8%	1,256,000	29,506,735	50,000,000	75,280,500	40
3 M'boro	700	5%	1,967,162	25,984,289	43,000,000	77,163,136	15
4 M'Pal	709	1%	1,485,000	19,191,755	50,000,000	58,680,100	0
5 M'Pal GPF	658	2%	1,627,500	22,615,485	43,000,000	34,581,162	0
6 Diamniadio	739	1%	2,205,000	44,902,815	47,000,000	66,565,470	1
7 Sangalkam	470	-	-	6,292,560	-	0	-
8 Bayakh	403	-	-	12,780,000	50,000,000	10,500,000	-
9 Gandiol	415	-	-	400,000	-	0	-
<b>TOTAL</b>	<b>5,313</b>		<b>9,584,662</b>	<b>172,066,799</b>	<b>331,000,000</b>	<b>367,205,236</b>	<b>114</b>

**Table #4 : PPMEH Macro Indicators**

### **B. Individual Microfinance Institutions.**

The Dyna Microfinance team remains focused on networks but does not ignore the needs of solitary independent credit unions in Senegal. This quarter witnessed significant growth in the number of individual caisses qualifying for Dyna assistance. While still early in the support process the following individual *caisse* assistance programs were particularly active this quarter.

1. *MEC-PROPEM*. The Dyna-supported training program for the *Mutuelle d'Epargne et Crédit pour la Promotion de la Pêche à Mbour*, which targets fishermen and women, continued this quarter. Training was complemented by provision of basic office equipment (chairs, tables and filing cabinets) plus security enhancement (metal grills on windows, safe & counterfeit detector).

2. *MEC FEMZOP*. First stage training began and was completed for the *Mutuelle d'Epargne et de Crédit des Femmes de la Zone de Pikine* during this quarter. While focused on women's microfinance needs in peri-urban Dakar this *caisse* does have a few male members.

3. *FEMUNI*. The support program to this individual *caisse* in peri-urban Dakar hit full stride this quarter. Assistance was provided on several fronts including training of managers, technicians and elected credit union officials. A security upgrade of the physical facilities was also completed this quarter. Basic office furniture and equipment included a safe and a

	Dec 2000	Sep 2001	Dec 2001	Mar 2002	Apr 2002	May 2002	Growth	
							12 month (2001)	6 month (Dec-May)
<b>MEMBERS</b>	202	256	268	294	304	305	33%	14%
<b>SAVERS</b>	165	256	268	294	304	305	62%	14%
<b>ACTIVE LOANS</b>	-	80	80	69	71	74	-	-8%
<b>LOANS APPROVED</b>	26	184	262	311	330	347	908%	32%

**Table #5 : FEMUNI Macro Indicators**

counterfeit currency detector. Finally, marketing assistance was provided via the production and placement of signboards indicating the *caisse* location in Pikine. Assistance began in early January 2002 and will continue into the next quarter but the monthly data reporting from this individual *caisse* reflects a more sober approach being taken to growth and loan portfolio management from that seen in the pre-Dyna period (see Table #5 below).

**4. Combined Technical & Managerial Training.** Training began for a number of other individual microfinance institutions. Given the small size of these *caisses* and the cost of decentralized trainings, Dyna opted to group trainings around regional offices. This entailed combining training sessions for certain microfinance institutions offered by the same service provider on a geographic basis to reduce costs. This approach has the advantage of introducing regional microfinance actors to share experiences, identify common problems and propose solutions.

In Thies town, training for the *Union des Groupements pour le Progrès de la Femme* (UGPF) and the *Mutuelle des Femmes du Cayor Takku Liggeey* (MFC) was provided by Cabinet SARR. Similarly in Ziguinchor town, both the *Mutuelle des Professionnels de la Pêche* (MUPROP) and the *Mutuelle des Professionnels de l'Elevage* (MUPROEL) received training from *Mutualité et Développement* (M&D).

Exceptions to these combined efforts this quarter were the *Mutuelle d'Epargne et de Crédit des Artisans de la Région de Tambacounda* (CMECAT) in Tambacounda and the *Caisse des Agriculteurs, Pêcheurs, Forestiers et Eleveurs de Dakar* (CAPFED) in Rufisque trained by Sen Ingenieries and Cabinet SARR, respectively. Cabinet Badara Dione trained the *Mutuelle d'Epargne et de Crédit des Artisans Ruraux de Thiès* (MECART Notto) which is also located in Thies Region but south of the town of Thies.

### **C. Cross-cutting Training**

**1. Making Cents Training.** The entrepreneurship training provided by Making Cents via its *Esprit d'Entreprise* module is available in four bilingual (French-Local Language) versions (Wolof, Pulaar, Mandingue and Diola) as of this reporting period. Creation of these bilingual kits was a reaction to consumer demand by Dyna and comes almost exactly one year since the first test market of *Esprit* was held in Washington by 12 Senegalese partners attending a microfinance workshop. Dyna co-sponsored an *Esprit* module training for Peace Corps at the end of April in Foundiougne (Fatick Region) targeted to Small Enterprise Development (SED) volunteers and their counterparts. Peace Corps' intention is that the counterparts become the trainers while the volunteers remain "coaches." Dyna provided trainers and bilingual kits while Peace Corps paid for the training locale, transportation, lodging and meals of the participants.

Additional *Esprit* module trainings were held in Dakar (2 sessions in mid-June), Thies (1 session in mid-June) and Ziguinchor (1 session in late June) as part of the on-going Master Trainer preparations. Dyna is supporting creation of at least four (4) Senegalese Master Trainers in both the *Esprit* and *Entreprendre* modules offered by Making Cents. These Master Trainer candidates



will train Making Cents module facilitators in a Training of Trainers format. The Master Trainers have need of practice sessions for both modules. Similarly, *Entreprendre* sessions were held this quarter in Dakar and Thies in mid-June.

**2. Making Cents Market Test.** The second step in the market test to integrate both Making Cents modules into a microfinance institution initiated last quarter was completed this quarter with facilitator training of UMEC-Sedhiou staff. The test is to integrate entrepreneurship training into the management of microfinance enterprises and to provide this same training to their clientele. The managers of each of the 22 branches of the UMEC network were trained as facilitators of *Esprit* and *Entreprendre* during late May and early April, respectively. These follow-up trainings were the result of the first stage of the market test held last quarter and recounted in Dyna Quarterly Report #9. The CETF and FNGPF Sedhiou branches were also invited to send one participant each to the training to economize costs related with this decentralized training and to promote synergy among economic actors in the area.



**Photo #1 :** US Ambassador and Senegalese President

*Review Bilingual Esprit Kit*

At this writing several positive outcomes have been noted. Two (2) branches have already begun training their respective managerial staff. Two weeks after the facilitator training, UMEC was selected by the *Fonds National de Promotion de la Jeunesse* (FNPJ) to provide Making Cents training to recipient youth in Sedhiou Department as a prerequisite for funding under their credit line. Nine (9) young Sedhiou entrepreneurs were trained by UMEC staff in mid-June and have qualified for funding under the FNPJ program. This case embodies the “*fait faire*” Dyna approach enabling local actors to play appropriate roles in the development of the local economy without direct intervention by the project that would overly distort market creation.

The *Centre d’Enseignement Technique Féminin* (CETF) trained their 3<sup>rd</sup> and 4<sup>th</sup> year students before the end of the 2001-02 school term. The Sedhiou CETF intends to integrate these modules more formally with the next school term. UMEC management was asked to address the graduation ceremonies of this year’s CETF and encouraged students to open accounts with their local UMEC credit unions with the anticipation of eventually qualifying for loans to launch their own businesses.

**3. CAPAF Training.** Dyna co-financed 12 participants to the “Financial Analysis of Microfinance Institutions” training in mid-April and 20 participants to the “Development Planning and Financial Projections with MicroFin Software” in mid-June. Both trainings were offered by the REMIX

consulting firm under the auspices of the CAPAF microfinance training program for Francophone Africa based in Dakar. All of the traditional CAPAF trainings offered by REMIX are held in Mbour.

**4. Adapted CAPAF Training.** Dyna and the CAPAF microfinance training program funded by the CGAP consortium of donors headed by the World Bank sponsored an adapted version of the standard CAPAF accounting training in Ziguinchor in mid-April. The “adaptation” provides for a lower level of formal education of participants by extending the length of the training and providing introductory accounting training. The goal is to reach a larger audience of microfinance actors and provide them with the basic tools to create and use financial statements. An additional incentive was to test the demand for this type of training in sub-national regional capitals.

#### **D. Sector Development**

**1. World Bank Workshop.** The Dyna Microfinance team leader attended a one-week workshop at the World Bank at the end of May entitled “Overview of Financial Sector Issues and Analysis.” The workshop focused on ways and means to improve the performance of the financial sector in developing economies to stimulate overall economic growth. A recurring theme was the need to increase the mobilization and utilization of domestic savings to reduce dependence on foreign capital flows, either concessionary or market priced.

**2. Preliminary Study for Possible National Microfinance Seminar.** The contractor (Adira Consulting) completed the survey of preoccupations of representative microfinance practitioners to include in an eventual national seminar. A restitution of the survey results was held with key microfinance sector actors and concluded that regional meetings should be held prior to a national conference. Principle themes for the conference were identified as well as the necessity to provide time and space for the microfinance institutions to present their results.

**3. Journées d’Information.** The 9th Dyna-sponsored Microfinance Information Day was held in Kedougou in mid-April as part of Dyna’s outreach strategy to departmental level capitals. The Microfinance activities were complemented by a test market of the “*Esprit d’Entreprise*” training module which was warmly received. Dyna received a total of 46 concept papers during the Kedougou Information Days of which less than a dozen warranted follow-up site visits.

**4. Tripartite Quarterly Meetings.** The Microfinance team initiated an innovative tripartite meeting that brings together the service provider, the service recipient microfinance institution and Dyna staff to review progress, lessons learned and improve overall performance on a quarterly basis. Tripartite sessions were held this quarter for the following microfinance institutions supported by Dyna (service provider in parenthesis): Inter-CREC (OCC), RECEC (Cabinet SARR), UFC (Sen Ingénierie), and FNGPF (M&D). Given the positive reaction of all parties involved in these tripartite meetings they will be continued in the future.

**5. In-house Technical Retreat.** The technical retreat of Dyna Microfinance team members was held this quarter in Ziguinchor in mid-May. These in-house meetings are held on a rotating basis among the Dyna regional office locations. They provide an opportunity for the technical teams to meet, share experiences, plan and capture results plus lessons learned.

#### **E. Microfinance Next Quarter.**

Next quarter the Microfinance Team will install a prototype caisse-level computer system at PAMECAS with eventual replication to all caisses and perhaps other partners. The design, configuration and procurement of a computerization program for ACEP focused on their Dakar headquarters and 7 regional offices will be underway next quarter. The next quarterly bid cycle and Information Day will be Tivaouane in early July. Individual *caisses* expected to qualify for Dyna assistance will be submitted for USAID approval including PROFEMU, GEC Lawtan and MEC EGAM, among others. Two DynaDakar Microfinance team members, Awa Paye Gueye and Madeleine Cisse, will travel to Boulder, Colorado to attend the annual three-week microfinance training offered by Naropa University. Once the new SO Team Leader and Microfinance Specialist are in-place at USAID, discussions will be held among ACEP, USAID and Dyna to determine the most appropriate allocation of the credit line within the Grant mechanism.

## V. BUSINESS DEVELOPMENT SERVICES - BDS

BizDev's activities this quarter are best described through the new performance indicators prepared and approved during the reporting period. After two years of using pre-project "input-based" indicators, BizDev reformulated its performance indicators based on "outputs" leading to "outcomes" and eventually "impact" to meet USAID reporting needs more effectively. During this reporting period, the division realized the denomination "Business Development Services (BDS)" more accurately defined its core business. However the underlining assumptions remained the same: DynaEnterprises contributes directly to the growth and expansion of the private sector in decentralized zones through developing markets for sector services.

Adopting new Performance Indicators focused Dyna-BDS on the results obtained through outsourcing work to target groups - Service Providers, Professional Associations and Small Businesses – that, in turn, develop: (1) for-fee business training, (2) diversified and innovative services, (3) technical support and follow-up services, and (4) information flow (see flowchart in Annex A). As with the rest of the Dyna Team this quarter, Dyna-BDS produced the largest number of Requests for Proposals, BOAs, Task Orders and follow-up activities to-date.

Illustrative activities for each of the four performance indicators from this reporting period are highlighted below with detailed information available in annex.

### **A. Increased Business Among Training Service Providers (Indicator 1.3.1)**

This indicator tracks fee-paying businesses or associations trained by service providers. Downstream outcomes of those trained who, in turn, became for-fee service providers are also included. During this quarter over 200 businesses and associations purchased training from training providers outsourced by Dyna.

1. *GERME*. Dyna co-sponsored a second decentralized Training of Trainers (TOT) on the ILO/GERME business modules in late May and early June in Ziguinchor. Recall that the first decentralized GERME TOT was in Goudiry in Tambacounda Region in April 2001. The Ziguinchor GERME TOT was the first to focus on marketing the trainers' own businesses. The output of 19 businesses in Ziguinchor Region, each having paid FCFA 120,000 for the two-week intensive training significantly increased the pool of coached trainers for the Casamance region.
2. *Marketing*. Recent GERME-coached trainer *Groupe d'Appui Conseil au Développement* (GRAD) held their first for-fee marketing training in Kolda in late June. GRAD received GERME TOT during the Goudiry sessions. The GRAD training provided new Kolda entrepreneurs to Dyna's client base. The broad range of participants reinforced Dyna's contention that all businesses need generic marketing skills that can be provided on a non-sectoral basis. Participants included a rural radio station, a local consulting firm, a public relations firm, and a recently created dairy processing plant. The latter was inspired and established based upon the Dyna dairy sub-sector study identifying Kolda investment opportunities.

3. *Best of Show* : Seven (7) exhibitors from the Dyna-sponsored November 2001 Tambacounda TechnoFoire in November 2001 who won the competitions for best demonstration stands received their prize of 5 days of Information Technology (IT) training. This prize recognized their innovation and further served as incentive to adopt IT in their businesses. Each participant stated they are now “at ease” with computers, use computers on a regular basis in their operations and comfortably access Internet-based information.

## **B. New Products & Services Offered by Providers as a Result of Dyna Contracts**

**(Indicator 1.3.2)**

This indicator seeks to quantify the number of new products and services that service providers offer to clients. The indicator as presented in the reporting table describes the new product and serves as a proxy for the success or failure in improving quality in the service industry.

1. *Making Cents*. In collaboration with the Dyna Microfinance team, Dyna-BDS held a strategic planning day for the Thies Beautician's Association. Association members subsequently developed a program that outlined their training-needs over the year.
2. *ILO's Expands Dyna-BDS' Innovative "Training-in-a-Planner" Concept*. The ILO regional office in Dakar initiated negotiations with Dyna-BDS to collaborate on adopting and expanding the Business Planner concept to nine (9) other francophone West African countries. Dyna drafted an agreement to work with ILO to formulate the layout and content for the 2003 Planner ("Agenda" in French). The 2003 Planner will incorporate Dyna's business planning and management tips throughout the months, as in the 2002 version. Given the regional ILO mandate the 2003 Planner will also provide country-specific fiscal, corporate and tax responsibilities for each country derived from the Dyna Fiscal responsibility manual. Dyna's 2002 Entrepreneur's Survival Planner sold extremely well with 2,500 copies printed in Senegal.
3. *Trained Businesses Become Service Providers*. Two Kolda businesses trained in Vetiver Technology Systems became trainers themselves by offering a for-fee introduction to vetiver systems for 21 clients. They have since received requests to conduct additional training in Tambacounda.
4. *Increased Orders for Plants from Vetiver Nurseries*. The public works construction firm, CSE, budgeted FCFA 5 million for vetiver to protect the Kolda to Diannah Malary road presently under construction. Prior to this major commitment, more than 30,000 plants were sold in the four project regions from private nurseries during the quarter representing approximately FCFA 3.2 million in gross sales.
5. *Market Gardening Sets Example*: GRAMC, a Spanish NGO in Velingara (Kolda Region) visited and then incorporated Dyna's market gardening model into their program. The "model" consists of directly seconding "Junior Experts" to requesting women's associations in the field. These young graduate experts work alongside association members throughout a growing season on topics such as market garden planning, identification of market trends, and organic fertilizing technologies. This program has elicited significant interest and has successfully increased member incomes while diversifying the crop mix. Dyna-BDS also developed a terms

of reference to expand this program entitled “*Planification Maraichère*” throughout the Kolda Region.

### **C. Increase in For-fee Technical Assistance Purchased from Service Providers**

**(Indicator 1.3.3)**

This indicator seeks to ascertain the willingness-to-pay by businesses, associations and groups to acquire technical support. This indicator includes most in-company and on-site follow-up technical assistance resulting from Dyna-sponsored trainings or events.

1. *ITA*: The Dakar-based Food Technology Institute traveled to Kolda to provide direct follow-up technical assistance to 13 women entrepreneurs in culinary businesses including bakery specifications and fruit juice processing based upon local produce. This training activity was funded by Dyna and represents ITA’s first foray into decentralized, direct provision of services to private sector actors as part of their revised mandate. Dyna urged ITA to identify and develop such private sector TA opportunities outside Dakar to complement their traditional research role.
2. *UNAFIBS*: The recently constituted *Union Nationale des Acteurs de la Filière Banane Sénégalaise* retained a specialized service provider to assist members to implement their Action Plan. UNAFIBS evolved from a series of Dyna-sponsored events and produced a five-year Action Plan based on recommendations contained in the Banana Subsector Study. This Dyna-sponsored study was completed last quarter and a CD-ROM version, including a summary of all the events that assembled the various sector actors and associations into the UNAFIBS federation, was developed this quarter.
3. *BizForum*: A Mbour-based economic interest group retained the services of a new service provider to organize a local Business Forum based on the Dyna format but modified to be sector-specific. Forty (40) people paid to attend the Mbour BizForum during this quarter. During the proceedings, participants proposed solutions to expand regional businesses, particularly the service sector.

The Mbour BizForum also afforded opportunities to other USAID-supported programs, notably GTN and the *Centre de Mediation*, to make presentations of the type of support and services they provide. This was the first time the *Centre* made a presentation outside Dakar during a Dyna event. Two follow-up meetings, at the request of 27 participants established statutes, by-laws, and an action plan for their new Mbour Business Association.

4. *Expanded Junior Expert Program*: Two (2) “Junior Experts” were trained and placed in Tambacounda to assist four professional associations to refine their Action Plans and enhance each association’s ability to assess market demand specific to their respective memberships.
5. *Fiscal Responsibility Training*: Twelve (12) businesses that previously received Dyna-sponsored GERME training plus the fiscal responsibility module obtained follow-on services in their *Les Niayes* based enterprises. Important outcomes from this training and follow-up

include profitable use of produce warehouses in concert with the Canadian-funded PAEP project and establishing a regional quality label “*Oignons des Niayes*.”

6. *Accountancy Training*: An Mbour-based women’s group benefited from on-site follow-up training to the Dyna-sponsored GERME Accounting Management module. The trainer and participants both noted improvement in profitability of individual enterprises.
7. *Sedhiou Marketing Follow-up*: The 18 Sedhiou entrepreneurs trained in the GERME Marketing module in late January 2002 benefited from on-site follow-up visits by the service provider. These on-site follow-up visits are held at the business locales.

#### **D. Broader Circulation of Useful Business Information (Indicator 1.3.4)**

This indicator captures the number of businesses, associations, consulting firms and business groups accessing technical and market information sponsored by Dyna, that include broad-based events promoting active participant involvement, purchasing information-loaded CD-ROMs and co-funding of study tours. Highlight activities related to this indicator during this quarter include :

1. *Banana Sector Study Tour* (Morocco), and two *Journées de Restitution* of this same study tour held in Gouloumbou and Kolda. A total of 81 people paid to attend the restitution events. Both activities supported the creation of UNAFIBS.

2. *Fiscal Responsibility Manual*: The first edition of the Fiscal Responsibility Manual, highlighting Senegalese enterprise’s responsibility to report and pay three basic corporate taxes, was assembled, tested and sales begun. By the end of the quarter, fifty-two (52) copies of this “beta” document were sold, mostly to service providers, who tested and used it with their clients. A second edition, including recent modifications of the Senegalese corporate tax laws, will be produced next quarter incorporating test market feedback from the “beta.”

3. *e-Commerce Site*: [www.senartisan.sn](http://www.senartisan.sn) A Thies-based website design and development group, sponsored by Dyna, deployed a site for the Thies Handicraft Village this quarter. The beta version of this site permitted individual artisans to receive feedback on their merchandise from overseas viewers, providing the information necessary to adapt to virtual consumer demand.

#### **E. Other Activities**

1. *Banana Subsector Activities*. Perhaps the most noteworthy BDS activity this quarter was achieving a significant outcome after more than a year’s work with economic actors in the banana subsector. The outcome was the creation of a national federation of banana sector professionals through a protracted strategy to consolidate an ad-hoc and chaotic situation among sector actors. Several years back the government had established a *Comité Paritaire* tasked to unite all national players in the banana sector. Unfortunately, the mandate included establishing prices and distributing subsidized diesel to producers for tractors and pumps, in addition to setting quality standards.



The *Comité* actually acted in favor of only one of Senegal's regions to the detriment of others. In addition, two competing private producer associations vied for a voice in the government to inhibit the flow of imported bananas, mostly from Cameroun and Ivory Coast. Because of its perceived bias and in spite of it being the legally constituted entity recognized by the Government the *Comité* had little credibility. This is often the case with government mandated associations that do not have economic actor interests as their main reason for existence. Members of other "private" banana producer associations could neither engage the government in dialogue nor apply leverage in favor of their members.

Dyna signed a contract with a local service provider in September 2001 to produce a banana subsector study that was published and made available to sector actors last quarter. In collaboration with another local sub-contractor, Dyna devised a strategy to send members of the three sector entities (*Comité Paritaire* plus the two largest private associations) to Morocco on a banana sector study tour. Upon this groups' return to Senegal Dyna organized restitution sessions to share experiences and insights garnered from the study tour with all the sector players. A focus of the study tour was multiple visits to professional producer associations which emphasized the importance of shared vision, collaboration and assistance to members to improve quality to capture domestic market share from imports.

A major constraint identified is the improper pre and post production handling that results in waste and non-yellow, unripened bananas that cannot compete with imports. Similar restitution sessions were held around the major themes emanating from the sector study to further assist consensus building. Meetings of the principal actors were also held during the Tambacounda TechnoFoire of November 2001.



**Photo #2 :** *Senegal Participant (background) inspects  
Banana Processing in Morocco*

Through these various venues and events, the subcontractor brought together the three entities on multiple occasions. At each event, the idea to develop an industry-wide "Action Plan" based upon the original sub-sector study aroused most attention. An Action Plan was adopted over the course of multi-meeting sessions. Participants proposed creating a *Comité Directoire* composed of respected and dynamic entrepreneurs to implement the Action Plan. This Committee evolved in its deliberation and proposed to establish several commissions to implement the Action Plan. Out of these efforts the most respected members called for creating a broad-based federation of banana sector economic actors. Their recommendation and credibility became the turning point for the birth of a National Federation of Banana Sector Actors (UNAFIBS). The Committee requested technical



assistance to formulate statutes and by-laws for the nascent Federation. The text described the organization's activities which effectively took over responsibility to guide and support the sector.

The new Federation regroups all players in the sub-sector without preference to size of operation or geographic region with a unity of purpose focused on a jointly produced Action Plan. Comments and messages received from participants indicate that the sub-sector made a major step forward to develop awareness for quality products to compete with imported bananas. A two-day "Journée de la Banane" scheduled for next quarter will have an important media presence to capture the momentum of this new private sector federation.

2. *Africa-wide BDS Forum* : Dyna-BDS was one of only two BDS practitioners invited to present at an ILO organized Africa-wide workshop on BDS best practices held outside Dakar. Dyna presented its market-development based "facilitator" model of donor sponsored support to BDS promotion. ILO representatives requested that Dyna-BDS staff be present in each working group. Dyna staff were solicited by many representatives from Francophone countries to share information on what works in Senegal and to catalyze market development of service providers in other settings.

#### ***F. BDS Next Quarter***

Dyna-BDS will hold a team retreat in Ziguinchor early next quarter with the objective of working more efficiently and effectively. Significant new activities are planned for the Ziguinchor Region including a Business Forum in early August plus continual planning sessions for the TechnoFoire scheduled for late October. At the request of Ziguinchor partners, Dyna-BDS will initiate a major institutional strengthening activity in a new sub-sector; poultry.

The sub-sector focus in the other regions will remain bananas, dairy, market gardens and organic farming. More than a year's work in the banana sub-sector will culminate in a two-day national banana information and consensus building event scheduled for the end of July in Dakar. A banana sub-sector website is under construction and should be launched next quarter along with an informational CD-ROM and a banana planter's manual. A minimum of four (4) GERME trainings are planned next quarter. Work will continue to adapt the fiscal responsibility manual to the needs of small and medium enterprises and consulting firms based upon user feedback on the 1<sup>st</sup> edition. Dyna-BDS will sponsor the launch of a "Senegal Innovation and Inventor" website in collaboration with the field's professional association as an outcome from the Tambacounda TechnoFoire held in November 2001. Work will continue on Dyna's association strengthening strategy, as more partners develop action plans focusing on identifying market opportunities for their members.

## **VI. MONITORING, EVALUATION, ANALYSIS AND RESULTS REPORTING**

Given the increased workload throughout the project and the ramifications for the Monitoring, Evaluation, Analysis and Results Reporting (MEAR) team, the short-term technical assistant hired last quarter, Victor Luboyeski, was recruited on a full-time basis. The first task orders against the MEAR BOA were written and submitted with initial contracts expected to be signed next quarter. MEAR staff attended the microfinance technical team retreat to reinforce the importance of regular, accurate and timely results reporting plus elicit feedback from technical staff on how best MEAR can serve their information needs. The MEAR team, along with the Administrative team, was directly and significantly involved in the preparations of the Dyna stand for the USAID Senegal Open House.

### **A. Monitoring and Evaluation BOA**

This BOA will assist the MEAR Team and the Directorate to provide feedback to the technical departments on their respective activities while documenting lessons learned and reporting results in more depth. During this quarter the team held the required feedback sessions with losing bidders to the BOA pool. The team also solicited offers from three pool members to conduct an evaluation of Vetiver Dissemination Techniques via Senegal's private sector. The study will focus on the use of the private sector to disseminate innovative agricultural technology instead of the traditional state-run extension systems. The winning firm was selected and negotiations are underway to sign a contract next quarter. The second task order was drafted this quarter to evaluate use of the Dyna-sponsored tender bid website.

### **B. Support to Microfinance - MFI**

The MEAR Team Leader and Technical Assistant both attended the Dyna Microfinance Team retreat in Ziguinchor during mid-May. During these sessions the team reviewed with technical team members the importance of partner reporting on performance indicators. Requirements for MRR and TrainNet reporting were also disseminated. Through better appreciation of the need for this information at the technician level the flow of information should improve. MEAR team members also solicited feedback from technical staff on difficulties confronted by Dyna-MFI partners in submitting monthly, and even quarterly, data. MEAR staff redesigned the MF indicator data collection tool and accompanying instruction notes to assist partners to collect the required information. The two teams also brainstormed ideas how MEAR evaluations and other activities could best reinforce and improve impact of MF interventions. Quarterly MF results presented in Annex B have generally surpassed annual targets for FY 2002.

### **C. Support to Business Development Services - BDS**

MEAR staff reviewed with Dyna-BDS technical staff the new set of performance indicators and stressed the importance of regional office technical staff recording relevant data throughout the quarterly reporting period. MEAR also worked with individual BDS technicians in both Dakar and the four regional offices to ensure that data collected for BDS indicators were correctly recorded. Team members explained to BDS staff how the MEAR BOA would be used to evaluate technical

activities to quantify impact and inform project management how best to adjust activities for greater success. Annex B presents the BDS quarterly results against the new performance indicator set.

#### **D. MEAR Team Leader Training in Canada**

At the end of the quarter the MEAR Team Leader, Fatou Thiam, departed for Ottawa, Canada to attend a specialized training in evaluative techniques for development projects. The training entitled International Program for Development Evaluation Training (IPDET) is organized by the Operations Evaluation Department (OED) of the World Bank in partnership with Carleton University's Faculty of Public Affairs and Management. This is the second year that this course has been offered. The IPDET program consists of a two-week core coursework followed by two weeks of elective, in-depth workshops. The core program is based on modules developed by the World Bank that place special attention on teaching evaluation and monitoring activities that support results-based management. The elective workshops that follow the core program permit participants to focus on specific areas of knowledge and skills most applicable to their working environment and project needs. Dyna specifically chose the elective workshop on case study based research and evaluations in a development context with the express intention of using this to capture lessons learned during the course of the project.

#### **D. Information Technology - IT**

The IT sub-team within MEAR followed up the previous quarter's extensive computer installations among three microfinance partners with training sessions for the respective staff. Two local IT consulting firms were hired to train both internal IT staff and end users. IT staff of the three microfinance institutions (PAMECAS, UNACOIS and Ministry of Finance) also attended training on network management offered by SONATEL.

The IT sub-team continued collecting branch office information for both PAMECAS and ACEP to inform decision-making on computer installations at the caisse level. Dyna staff noted information on phone connections, electricity, physical layout, staff size and other variables important to plan an effective caisse-level computerization. All this information was used to draft a prototype configuration to test in two PAMECAS branch locales. Prototype procurement was initiated this quarter and will be installed next quarter. Once installed, tested and lessons learned a larger procurement will be made for the entire PAMECAS and ACEP networks.

#### **E. MEAR Next Quarter**

Several contracts will be signed to initiate formal evaluative studies of project impact. The first evaluation will focus on the private sector as an agricultural technology dissemination vector using the case of vetiver. The evaluation of the tender bid website will be next. Terms of reference for evaluations of the Making Cents and GERME training modules will be drafted and tendered. As with the Dyna-MFI team this quarter, MEAR staff will attend the Dyna-BDS retreat scheduled for next quarter in Ziguinchor to promote greater understanding of the need and usefulness of regular results reporting. The MEAR Team Leader returns from her month-long, North American training and will begin to incorporate lessons and techniques learned into the Dyna MEAR program including the use of case study methodologies. Of course, the MEAR team will participate in the

annual Dyna retreat in early September and prepare a MEAR team strategic workplan for fiscal year 2003.

## VII. FINANCIAL STATUS

The present financial reporting period covers the calendar months of March through May 2002 because of the one-month lag in submitting and registering expenditure vouchers. Total expenditures over this three-month period were just below last quarter's record amount for the project. Consecutive quarters of record expenditures (\$1.79 and \$1.74 million, respectively) continue to reflect reaching the apex of expenditure rates at mid-term Life of Project (LOP). Table #6 below presents project expenditure information by monthly invoice, Contract Line Item (CLIN) and percent of total expended per line item during the project. The LOP budget, LOP balance and the amount obligated to-date (in italics at lower left-hand corner) are also presented. Note that as of the May 2002 invoice, 79% of obligated funds had been expended.

The two largest line items in total expended and percent of total expended by quarter remain the Labor and Grants CLINs. This is the usual pattern of Dyna quarterly expenditures with Labor and Grants representing 44% and 42% of total expended, respectively, for the latest reporting quarter. PME support (Training) registered its best quarter when measured as total expenditures with a value of around \$169,000. This represented 10% of total quarterly expenditures and is the second highest PME support expenditure when measured as a percentage of quarterly totals. These three line items accounted for 96% of all total quarterly expenditures and continue to reflect Dyna's commitment to inject significant resources into the Senegalese private sector using local labor extensively. The remaining shares of total quarterly expenditures were split between Base Fee and Equipment at 3 and 1 %, respectively. Note that the Base Fee remains a fixed percentage (roughly 2.8%) of selected other costs.

			LOP BUDGET	Invoices 1-28 Nov-99 to Feb-02	29 Mar-01	30 Apr-02	31 May-02	Total Invoiced To-Date	% of CLIN Expended	LOP Budget Balance
0001AA	1	Labor	12,220,820	5,234,853	277,397	250,082	247,440	6,009,772	49%	6,211,048
0001AB	2	Material & Equipment	639,196	908,464	8,145	4,420	2,760	923,789	145%	-284,593
0001AC	3	Training	1,047,800	512,486	51,576	74,709	43,039	681,809	65%	365,991
0001AD	4	Grants	11,525,800	2,718,609	119,980	501,399	116,410	3,456,397	30%	8,069,403
0001AE	5	Base Fee	658,412	266,379	12,322	21,996	11,158	311,855	47%	346,557
0001AF	6	Award Fee	371,062	67,746	0	0	0	67,746	18%	303,316
<i>obligated =</i>		<i>14,500,000</i>	26,463,090	9,708,536	469,420	852,606	420,806	11,451,368	43%	15,011,722

**Table 6:** Invoices Submitted to USAID by Chemonics (Mar. 2002 through May 2002)

The 12-month monthly expenditure average remains roughly \$500,000 with the 9-month and 6-month averages significantly higher at \$540,000 and \$590,000, respectively. These trends again point to the accelerated pace of activities as the project hits mid-stride. At these heightened expenditure rates and given roughly \$ 3 million in obligated funds remaining at this writing, the project has a pipeline, before accruals, of less than 6 months. Local accruals (difference between commitments under local contracts versus actual disbursements) provide a good idea of the amount to be paid on existing contracts over the coming months. The Field Office accruals also reflect the accelerated pace of activities at Dyna over the last 6 months and reached a record high of roughly \$ 1 million. These accruals reduce the obligated amount remaining to cover just over 3

months activities at the present pace. Without additional obligated funds the project will have to significantly curtail activities in the next quarter.

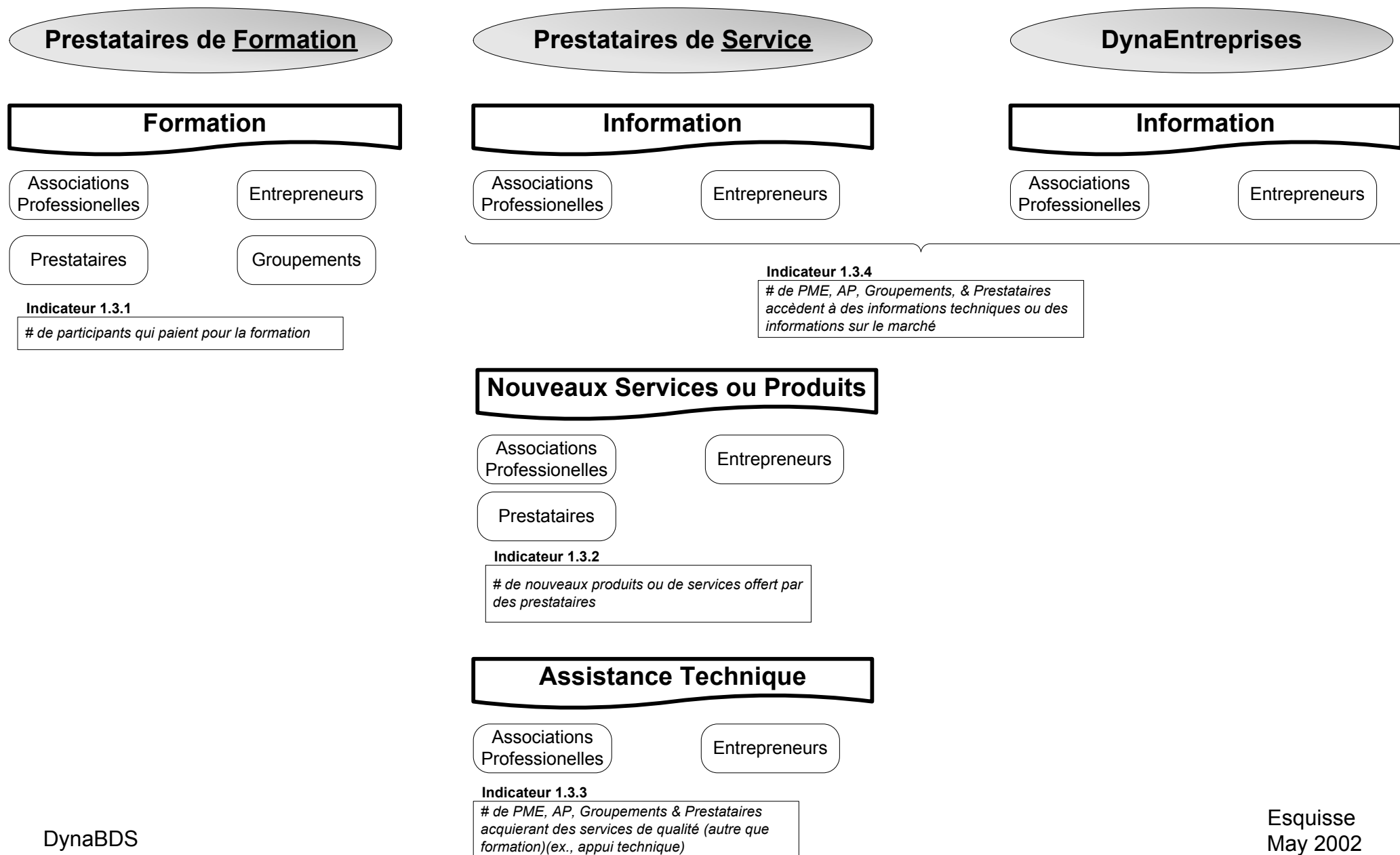
**ANNEX A    Flowchart Representation of New PME Indicator Set**

**ANNEX B    Microfinance Indicators, Targets and Quarterly Results**

**ANNEX C    Business Development Services Indicators, Targets and Quarterly Results**

# DynaEntreprises

## Disposition des Indicateurs de Performance Selon les Feuilles 1.3.1 - 1.3.4



DynaEnterprises Microfinance Performance Indicators					
#	PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASURE	FISCAL YEAR 2002		
			Q3	TARGETS	DATA SOURCE
KIR 1.2 : IMPROVED ACCESS TO FINANCIAL SERVICES					
1.2.1	Number of institutions using full cost-recovery interest rates and fees	Among institutions receiving assistance from DynaEnterprises	reported annually	8	Dyna MFI Partners
1.2.2	Number of institutions with delinquency rates below 10% and loan losses under 5% of the institution's loan portfolio	Number with delinquency rate below 10%	14	10	Dyna MFI Partners
		Number with loan losses below 5%	14	12	Dyna MFI Partners
1.2.3	Number of savers disaggregated by gender	Number of male	24,848	17,511	Dyna MFI Partners
		Number of female	33,822	30,663	
		Number of male groups	544	373	
		Number of female groups	3,416	3,731	
		Number of mixed groups	1,794	1,208	
1.2.4	Number of active borrowers disaggregated by gender	Number of male	5,728	4,058	Dyna MFI Partners
		Number of female	11,172	9,535	
		Number of male groups	77	55	
		Number of female groups	1,566	1,221	
		Number of mixed groups	446	185	
1.2.5	Value of loans offered	Amount of loans	4,192,623,924	5,753,003,355	Dyna MFI Partners
1.2.6	Value of savings collected	Amount of savings	3,111,943,249	2,678,945,178	Dyna MFI Partners
1.2.7	Branch offices trained	Number	125	101	Dyna MFI Partners
1.2.8	Managers & tellers trained	Number	283	126	Dyna MFI Partners
1.2.9	Share of all decentralized financial system loans at the National Level provided by USAID funded partners	Ratio of the value of loans offered by Dyna-funded partners to the value of loans offered by all Microfinance institutions reported by the Ministry of Finance regulatory body	reported annually	12%	Dyna MFI Partners, The Microfinance Unit (Cellule AT/CPEC) of the GOS Ministry of Finance



## DynaEnterprises Biz Dev Performance Indicators

PERFORMANCE INDICATOR		INDICATOR DEFINITION & UNIT OF MEASURE	FY 2002 PLAN	FY 2002 QTR 3						FY 2002 YTD					
				DAKAR	KOLDA	TAMBA	THIES	ZIG	TOTAL	DAKAR	KOLDA	TAMBA	THIES	ZIG	YTD TOTAL
1.3.1	# Participants from SMEs, consulting firms, associations and groups that purchase business training.	Total # of fee paying participants	400	91	34	7	53	-	185	175	44	12	260	11	502
		# Private sector participants	320	85	32	7	53	-	177	151	42	12	267	11	483
		# Ag-related participants*	60	9	21	5	5	-	40	16	21	6	129	-	172
		# Female participants	-	24	5	4	4	-	37	24	10	7	96	3	140
		# Youth participants (18-30 yrs)	-	33	12	-	35	-	80	33	12	-	40	-	85
		# Disabled participants	-	25	1	-	-	-	26	25	10	-	-	-	35
1.3.2	# New products and services offered by BDS providers.	Total # new products & services	30	10	8	-	6	12	36	15	11	-	28	12	66
		Total # ag-related products & services	5	9	7	-	3	5	24	10	9	-	15	5	39
1.3.3	# SMEs acquiring quality technical assistance (not training) from BDS providers.	Total # of SMEs receiving BDS support	250	151	392	3	29	-	575	370	556	3	198	1	1,128
1.3.4	# SMEs, consulting firms, associations and groups that access market and technical information.	# SMEs accessing information	7,000	2,531	137	-	232		2,900	13,819	150	3,921	436	-	18,324
		# SMEs accessing information (not web site)	-	50	132	-	196	-	383	372	150	3,921	400	-	4,843
		# SMEs purchasing information	300	4	102	-	196		302	326	115	3,891	329	-	4,661

# **RAPPORT TRIMESTRIEL DE PERFORMANCE**

## **DynaEntreprises Sénégalaises – Contrat Chemonics**

Avril 2002 – Juin 2002  
*Trimestre 10 sur 20*

**CONTRACTEUR** : Chemonics International, Inc.  
**CONTRAT #** : 685-00-00-C-00002-00  
**PERIODE DU RAPPORT** : Avril 2002 – Juin 2002 (trimestre 10 sur 20)  
**BUREAU USAID** : Objectif Stratégique #1

### **I. SOMMAIRE EXECUTIF**

Les dépenses du trimestre qui s'est achevé le 30 Juin ont presque égalé les dépenses du trimestre précédent. Pour les 6 premiers mois de l'année civile 2002 Dyna a dépensé plus de 3,5 millions de dollars avec environ 1,7 millions de dollars de dépenses pour chaque trimestre. Ce niveau d'activités reflète la maturation du projet à mi terme. La semaine du 8 au 12 Avril illustre ce haut niveau d'activités dans le projet avec des événements organisés simultanément par Dyna à Ziguinchor (formation adapté de CPAF en microfinance), Sédhiou (module de formation Entreprendre par Making Cents) et à Mbour (Business Forum). Le projet peut gérer durant la même semaine trois événements au niveau décentralisé grâce à son approche qui consiste à engager des consultants locaux. Les événements ont été exécutés par différents prestataires de services locaux. Ce haut niveau dans les activités et les dépenses a permis de signer 46 contrats avec les sous contractants locaux ce trimestre. Ceci a eu des répercussions sur l'équipe de Dyna.

Une autre activité de l'Administration ce trimestre concerne la supervision de la construction de l'Annexe à DynaDakar financée par le propriétaire. L'Annexe va permettre de désengorger le bureau existant devenu trop étroit à cause de l'augmentation du personnel conséquence d'un volume d'activités en croissance. L'Administration a aussi commencé une mise à jour de l'inventaire des biens durables pour le projet et pour les partenaires de Dyna. Une partie de l'*Award Fee* versée par l'USAID à Chemonics pour l'année fiscale 2001 a été partagée entre le personnel local en guise de récompense pour leur contribution significative dans la réussite du projet.

Le nombre d'institutions appuyés par Microfinance est passé de 15 à 30 ce trimestre avec une majorité de caisses individuelles non affiliées à un réseau. On notera seulement 2 nouveaux réseaux appuyés tandis qu'auparavant l'appui de Dyna était plus orienté vers les réseaux de microfinance. Dyna travaille actuellement avec la plupart des réseaux formels et informels de microfinance au Sénégal. Ainsi, à mi-terme du projet, Dyna va concentrer ses efforts en direction des partenaires existants.

Le grant de ACEP a été prolongé de 6 mois sans rajout de fonds, pour permettre à l'USAID de remplacer le CTO et le spécialiste en Microfinance de SO #1. L'USAID, ACEP et Dyna doivent négocier de façon formelle du devenir de la ligne de crédit avant la clôture du grant. PAMECAS et Dyna ont développé un prototype de système informatique au niveau des caisses qui inclut une connexion au réseau du siège. Dyna a installé le réseau au siège de PAMECAS en Février 2002. Ce prototype comprend aussi un « kiosque » informatique et un écran plat dans la salle d'attente de la caisse pour diffuser des informations. Les réseaux UMECU et RECEC affichent un effet positif de l'appui de Dyna avec une augmentation des capacités de gestion grâce à une formation améliorée. Cet effet positif est illustré par les indicateurs au niveau macro de ces deux institutions. Les deux nouveaux réseaux ce trimestre sont COCOGES (femmes entrepreneurs) et PPMEH (projet d'appui en horticulture dans les Niayes qui dispose d'une importante ligne de crédit).

Les deux Master Trainer Sénégalais pour les modules Esprit et Entreprendre de Making Cents ont été formés et ont reçus leur certificat ce trimestre. Deux nouveaux Master Trainer seront certifiés le prochain trimestre. Dans l'avenir, les formateurs expatriés pour ces deux modules ne seront pas indispensables au Sénégal et dans la sous région francophone. Des formations Making Cents ont eu lieu à Thiès et Ziguinchor ce trimestre. Un effet positif de ces formations fut le recrutement du personnel microfinance de UMEC par le Fonds National de Promotion de la Jeunesse (FNPJ) pour former les jeunes dans le département de Sédhiou comme un préalable à l'obtention des fonds de crédit du FNPJ. Avec ce programme, neuf jeunes entrepreneurs ont été formés par le personnel de UMEC en mi-juin. Ceci constitue un exemple de l'approche «faire faire» de Dyna permettant aux acteurs locaux de jouer le rôle qui leur convient dans le développement de l'économie locale sans une intervention directe du projet qui pourrait provoquer une distorsion dans le marché.

Ce trimestre, l'équipe Business Development Services (BDS) fait des progrès significatifs et novateurs illustrés par leur plus haut niveau de dépenses trimestrielles à ce jour. Des progrès continuent d'être fait pour une meilleure adoption des nouveaux indicateurs BDS. Dyna-BDS et ses partenaires ont franchi un grand pas avec la création d'une Union Nationale pour la Filière Banane. Cette nouvelle Union regroupe tous les acteurs de la filière sans distinction de taille ou de région mais avec pour seule mission de produire un Plan d'Action commun. Cette Union est le point culminant de plus d'une année d'activités sponsorisées par Dyna comprenant une étude filière, un voyage d'étude au Maroc, des sessions de restitutions et l'appui technique ciblé.

L'équipe BDS continue de collaborer étroitement avec le BIT. La deuxième formation des formateurs conjointe GERME s'est tenue à Ziguinchor et a intégré le module sur la responsabilité fiscale produit par Dyna. Dyna et le BIT sont aussi en collaboration pour produire un Agenda de l'Entrepreneur pour 2003 sur le modèle de l'Agenda de l'Entrepreneur 2002 et du Manuel sur la Fiscalité produits par Dyna. Le BIT a l'intention d'assurer la promotion de ce produit dans la sous région francophone. Le BIT a invité Dyna pour donner une présentation lors de leur atelier sur les Meilleures Pratiques en BDS. Cet atelier a réuni des participants venant de toute l'Afrique et Dyna était l'un des deux intervenants directs à avoir fait une présentation. Des formations GERME se sont déroulées dans les Niayes pour les producteurs d'oignons, à Mbour pour un groupe de femmes et à Sédhiou pour divers entrepreneurs soucieux d'améliorer leurs compétences en marketing. La première édition du module sur la Responsabilité Fiscale est testée et sera révisée sur la base des feedback des utilisateurs pour améliorer une deuxième édition.

L'Equipe Suivi Evaluation a été renforcée ce trimestre par le recrutement de personnel, la formation d'un membre déjà en place et la mise en place du BOA Suivi Evaluation. Le responsable de l'équipe a participé à une formation sur les techniques d'évaluation des projets de développement. Cette formation intitulée *International Program for Development Evaluation Training* a été organisée par la Banque Mondiale en partenariat avec Faculty of Public Affairs and Management de l'Université de Carleton.

A mi-terme, le projet Dyna a atteint son plus grand niveau de dépenses au cours des deux derniers trimestres avec 1,7 million chacun. Les dépenses moyennes mensuelles pendant cette période pour le projet s'élèvent 540 000 dollars. Avec ces taux de dépenses, étant donné les 3 millions de dollars de fonds engagés restant et 1 million de dollar à payer avec les contrats locaux, le projet dispose tout juste de fonds pour couvrir 3 mois de fonctionnement. Au moment de la rédaction de ce rapport, sans un nouvel engagement de fonds, le projet Dyna devra réduire ses activités dans les prochains mois.